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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)
[X] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended February 29, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-10035

LESCARDEN INC.
(Exact name of registrant as specified in its charter)

New York	13-2538207
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

790 Madison Avenue, New York, N.Y.	10021
(Address of principal executive offices)	(Zip Code)

(212) 794-8990
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X. No ____.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at February 29, 1992
Common stock $.01 par value	6,908,445

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Unaudited

LESCARDEN INC.

BALANCE SHEET

	February 29, 1992	MAY 31, 1991
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 64,459	$ 2,100
Inventory Catrix supplies and other	4,349	12,851
Total current assets	68,808	14,951
Property and Equipment, at cost, less accumulated depreciation and amortization	1,527	3,997
Security Deposit	11,240	11,240
Total Assets	$ 81,575	$ 30,188
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 191,828	$ 147,598
Notes payable	735,000	-
Salaries, fees and expenses payable - officers, directors and principal stockholder	243,583	60,761
Total current liabilities	1,170,411	208,359
Notes Payable	-	555,000
Total Liabilities	1,170,411	763,359
Commitments and Contingencies		
Stockholder's Deficiency:		
Convertible preferred stock - $.02 par value; $1.50 liquidation value; authorized, 2,000,000 shares; issued and outstanding 102,000 shares,	2,040	2,040
Common stock - $.01 par value; authorized, 20,000,000 shares; issued and outstanding 6,908,445 shares	69,084	69,084
Additional paid-in capital	9,964,815	9,964,815
Accumulated deficit	(11,124,775)	(10,769,110)
Stockholder's deficiency	(1,088,836)	(733,171)
Total Liabilities and Stockholders' Deficiency	$ 81,575	$ 30,188

LESCARDEN, INC

STATEMENT OF OPERATIONS (Unaudited)

	FOR THE THREE MONTHS ENDED FEBRUARY 29,		FOR THE NINE MONTHS ENDED FEBRUARY 29,	
	1992	1991	1992	1991
Revenues:				
Interest and other income	$ 1,181	$ 4,384	$ 27,661	$ 42,446
License fees and royalites	6,914	150,000	25,451	150,000
Total revenues	8,095	154,384	53,112	192,446
Costs and expenses:				
Salaries - officers	60,131	58,896	158,714	(12,977)
Salaries - office	11,926	7,500	22,528	22,500
Professional fees	9,157	(30,577)	21,012	42,144
Financing	-	32,035	-	32,035
Research	27,991	32,666	58,764	48,007
Rent and office expenses	15,310	21,105	57,327	80,294
Printing and promotion	-	(7,035)	-	1,239
Travel and meetings	1,267	1,037	1,378	2,731
Employee benefits	3,576	4,185	10,371	7,334
Payroll taxes	4,144	2,547	5,249	7,194
Taxes - other	328	866	1,404	4,126
Insurance	-	-	529	573
Interest	20,189	17,163	54,550	42,940
Depreciation and amortization	823	1,295	2,470	3,885
Other administrative expenses	4,336	2,886	14,481	12,725
Total costs and expenses	159,178	144,569	408,777	294,750
Net loss	$ (151,083)	$ 9,815	$ (355,665)	$ (102,304)
Net loss per share	$(.02)	$(.00)	$(.05)	$(.01)
Weighted average number of common shares outstanding	6,908,445	6,860,112	6,908,445	6,854,279

LESCARDEN INC. (Unaudited)

STATEMENT OF CASH FLOWS

	FOR THE NINE MONTHS ENDED FEBRUARY 29,	
	1992	1991
Cash Flows used in operating activities:		
Net loss	$(355,665)	$ (102,304)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,470	3,885
Interest expense	54,550	42,940
Changes in operating assets and liabilities:		
Decrease in other assets		79
Decrease (Increase) inventory Catrix supplies	8,502	(11,875)
Increase in accounts payable and accrued expenses	3,934	6,712
Increase (Decrease) salaries and - fees payable officers, directors - and principal stockholder	168,568	(185,675)
Net cash used in operating activities	(117,641)	(246,238)
Cash flows used in investing activity - purchase of property and equipment	-	-
Cash flows from financing activities:		
Proceeds of notes payable	180,000	300,000
Net proceeds from issuance of common stock	-	12,500
Net cash provided by financing activities	180,000	312,500
Net increase in cash and cash equivalents	62,359	66,262
Cash and cash equivalents - beginning of period	2,100	4,064
Cash and cash equivalents - end of period	$ 64,459	$ 70,326
Supplementary information:		
Cash paid during the period for interest	$ -	$ 229

LESCARDEN INC. (Unaudited)

NOTES TO FINANCIAL STATEMENTS

February 29, 1992

Note 1 - General:

The accompanying unaudited financial statements include all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods. The statements have been prepared in accordance with the requirements for Form 10-Q and, therefore, do not include all disclosures or financial details required by generally accepted accounting principles. These condensed financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended May 31, 1991. The audit of the Company's Financial Statements for the year ended May 31, 1991 has not been performed due to the lack of financial resources.

The results of operations for the interim periods are not necessarily indicative of results to be expected for a full year's operations.

Note 2 - Reduction in Salaries and Fees Payable - Officers and Directors during the nine months ended February 28, 1991:

In consideration of the obstacle to the success of the Company's financing efforts, holders have agreed to cancel $185,675 of liabilities previously included in " Salaries and Fees Payable - Officers and Directors" in the Balance Sheet. Accordingly, $185,675 has been credited to "Officers salaries" in the statement of operations during the nine months months ended February 28, 1991, respectively.

Note 3 - Interim Financing and Subsequent Event:

During the nine months ended February 29, 1992 the Company received loans due March 15, 1992 for $180,000 with interest at 10%. As these interim loans were not repaid by the due date the lenders are entitled to receive a five year warrant to purchase not less than 51% of the Company's common stock at the exercise price of $1.00.

LESCARDEN INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

To date, the Company has been involved principally in research and development and in the licensing of its technologies for commercialization by other companies. The Company had been a Development Stage Company through May 31, 1989 after which it began commercial operations and realized significant revenues from operations. The Company has had losses from operations in each of the five years ended May 31, 1991. This trend is expected to continue in the foreseeable future. From its inception to May 31, 1991 the Company incurred a cumulative net loss of $(10,769,110) to support its research and development programs and the administration of the Company.

Working capital has been provided since the Company's inception primarily from the proceeds from the sale of stock.

From February, 1989 through May, 1991 the Company received loans, mostly from stockholders, for $555,000. All of these noteholders have agreed to extend the maturity date of their loans to the Company until June 1, 1992. The loans earn interest during the extended period at rates of between 10% and 13.5% per annum.

During the perid from November, 1991 through February 29, 1992, the Company received loans for $180,000 with interest at 10% per annum. As these loans for $180,000 were not repaid by their due date, March 15, 1992, the noteholders are entitled to receive a five year warrant to purchase not less than 51% of the Company's common stock at the exercise price of $1.00.

The Company generally follows a policy of investing the funds derived from these sources in money market instruments until they are required to meet current expenses.

The Company's present liquidity position is critical. Additional financing is required during the fiscal quarter ending May 31, 1992. As of February 29, 1992 the Company's current liabilities exceed current assets by $1,101,603 and its total liabilities exceed its total assets by $1,088,836. Additionally, the audit of the Company's Financial Statements for the year ended May 31, 1991 has not been performed due to lack of financial resources. The Company is seeking additional financing. However, there is no assurance that such efforts will be successful. If such financing is not received the Company will be forced to cease operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

In March 1992, the Company entered into a proposal letter with Stires and Company, Inc. (Stires) for Stires to commence an investment banking relationship with the Company to raise equity and debt financing for the Company. Subsequent to February 29, 1992 the Company received loans for $120,000 with interest at 12% per annum, due June 15, 1992 pursuant to this investment banking relationship.

Effective October 1, 1989 the Company entered into an agreement which grants DONELL, INC. the exclusive world-wide license to the Company's technology and to sell its Catrix material for all topical uses. Under the terms of the agreement, as amended, with DONELL, INC., the Company received license fees totalling $350,000 during the fiscal year ended May 31, 1990. Additionally, license fees of $150,000, were paid by DONELL, INC. to the Company, pursuant to the terms of the agreement, as amended, in February, 1991.

Among the provisions of the agreement as amended, DONELL, INC., a closely held company, which was specifically formed for the purpose of securing these rights from the Company, also agreed to pay the Company a 6% royalty on all product sales an additional 6% royalty on sales commencing on January 1, 1991 until the Company receives additional royalties of $1,000,000, and to purchase all Catrix powder required for their formulations from the Company.

As noted above, the Company is making an effort to develop revenues from OTC, cosmetic and other product uses of its proprietary technology involving cartilage-derived materials. Additionally, the Company intends to concentrate its efforts on clinical trials to confirm Catrix's activity in human patients, and secondarily on basic research and development programs directed toward the isolation and characterization of specific active factors in Catrix. If such programs proceed well the Company believes its prospects to license its products, form a research and development relationship with a major company, or obtain the additional funding required to bring its products to market will be enhanced.

As a result of the history of losses incurred by the Company, the net loss during the year ended May 31, 1990 of $(192,696), and the limited amount of funds currently available to finance the Company's operations, the report of the Company's independent Certified Public Accountants on the Financial Statements as of May 31, 1990, which was

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

included in the Company's Form 10-K for the year ended May 31, 1990, was qualified to indicate that the Company may be unable to continue in existence. Additionally, the audit of the Company's Financial Statements for the year ended May 31, 1991 has not been performed due to lack of financial resources.

The Company has no material commitments for capital expenditures at February 29, 1992.

Results of Operations

Interest and other income decreased in the nine and three months ended February 29, 1992 from the comparative periods in the prior year principally due to lower sales of the Company's Catrix material to its licensee, Donell Inc. However, during these periods royalties from the Company's licensee increased. In February, 1991 license fees of $150,000 were paid by Donell, Inc. to the Company.

Commensurate with the level of funds available, and excluding the effect of the cancellation of the Company's previously accrued officers salaries of $185,675 (See Note 2) total costs and expenses during the nine months and three months ended February 29, 1992 were 15% lower and 10% higher than those of the comparative periods last year.

The decrease during the nine months ended February 29, 1992 was primarily attributable to lower financing expenses (related to a private placement of common stock in the 1991 period that was not completed), professional fees, and rent and office expenses. Interest expense was higher in the current year period, attributable to higher amounts of Notes Payable.

Due to the lack of funds, most of the Company's expenses for the nine months ended February 29, 1992 have not been paid and are included in current liabilities in the Company's Balance Sheet at February 29, 1992.

Professional fees and printing and promotion expenses for the nine months and three months ended February 28, 1991 include the reclassification of $37,500 and $7,035, respectively, that were previously included in such categories and that have been reclassified into officers salaries and financing expenses, respectively.

Officers salaries for the nine months and three months ended February 28, 1991, include the reclassification of $26,682 that was previously included in this category and that has been reclassified into research expense, representing the Company's payments to its Chairman related to his medical practice.

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

(b) Reports on Form 8-K: There were no reports on Form 8-K filed for the three months ended February 29, 1992.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LESCARDEN INC.
(Registrant)

Date: April 8, 1992

John F. Prudden, M.D.
Chairman of the Board

Date: April 8, 1992

Gerard A. Dupuis
President and Chief
Executive Officer, Director,
(Principal Financial Officer)